



STATE OF DELAWARE

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December 5, 2016

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Shona Marshall, Public Utility Analyst 

SUBJECT: IN THE MATTER OF THE APPLICATION OF SUSQUEHANNA ENERGY ADVISORS, INC. FOR A CERTIFICATE TO BROKER ELECTRIC SUPPLY SERVICES WITHIN THE STATE OF DELAWARE (SUBMITTED SEPTEMBER 12, 2016; FILED NOVEMBER 28, 2016) - PSC DOCKET No. 16-0921

Background

On September 12, 2016, Susquehanna Energy Advisors (the “Company” or “Susquehanna”) submitted an application (the “Application”) with the Delaware Public Service Commission (the “Commission”) for an Electric Supplier Certificate (“ESC”) to broker electric supply services in the State of Delaware pursuant to §1012 of the Electric Utility Restructuring Act of 1999, 26 *Del. C.* §1001 - §1020 (the “Act”) and 26 *Del. Admin. C.* §3001, the Commission’s Rules for Certification and Regulation of Electric Suppliers (the “Supplier Rules”).¹

Application

The Company’s original filing was submitted on September 12, 2016 but the submitted Application did not meet the minimum filing requirements (MFR’s). In a letter dated September 15, 2016, Commission Staff (“Staff”) requested the Company provide a certificate of good standing for the state of Delaware, officer certified financial statements, a professional resume for Richard W. Felton, the legal name of the Company, a toll-free customer service number, and confirmation that the Company is not licensed as an electric supplier, broker, or equivalent on any other state jurisdictions. Staff also requested that the Company confirm that the Company does not have any pending license applications in other states. On September 21, 2016, The Company’s response dated October 11, 2016 provided all of the requested documents. In a letter dated November 22, 2016, Staff requested the Company provide a detailed professional resume for Mr. Felton to include years employed, services performed, and his responsibilities at Susquehanna. This information was provided on November 28, 2016. This information satisfies the MFR’s for this Application.

Review and Analysis

¹ Unless otherwise noted, all references to capitalized terms are set forth in the Act and/or the Supplier Rules.

Authority to do Business in Delaware

The Company is incorporated under the laws of the Commonwealth of Pennsylvania. The Company provided proof issued by the Delaware Secretary of State that it is legally authorized and qualified to do business in the State of Delaware issued July 13, 2016 and October 4, 2016.

Resident Agent

The Company supplied the contact information for a Delaware Registered Agent listed in the application as United States Corporation Agents, Inc. located at 300 Delaware Ave., Suite 210-A, Wilmington, DE 19801.

Compliance with Regional Requirements

The Company affirms in its Application that it will only present electricity supply contracts to its customers from Marketers/Electric Suppliers who are in compliance with all applicable PJM requirements.

Financial, Operational, Managerial and Technical Ability

The Company provided a bank statement for the period July 1, 2016 through July 31, 2016 as indicia of financial capability under Section 2.1.1.5.1 of the Supplier Rules in its initial Application. Staff requested a copy of officer certified statements to satisfy the financial capability section of the Supplier Rules in a letter dated September 15, 2016. Further discussions between Staff and the Company revealed that Staff has previously accepted bank statements from broker applicants in lieu of financial statements if financial statements were not available. Staff has reviewed the bank statement of Susquehanna and has determined that the bank statement has satisfied the requirements of the Supplier Rules for purposes of brokering electric supply services in the State of Delaware.

The Company anticipates serving Residential, Large Commercial, Small Commercial, and Industrial customers throughout the State of Delaware. The Company's application states that it is not currently licensed in any other states. In documentation received in October, the Company states that license applications are pending in the state of Maryland for both gas and electricity.

The Application included a summary of experience and qualifications for Richard W. Felton, MBA. Mr. Felton is the Principal and Founder of Susquehanna since August 16, 2016. He possesses over 24 years of managerial experience and 26 years of experience in the energy industry. Mr. Felton began employment with Chesapeake Utilities Corporation in September 1989 as a Staff Accountant and over a period of 17 years held the following positions: Director of Human Resources (1992-1995), Energy Products and Services Manager (1995-2004), and Regional Sales Manager (2004-May 2006). In May of 2006, Mr. Felton began working as an Account Manager at WGL Energy Services, Inc. where he retired on August 5, 2016.

Surety Bond

The Company did not post a surety bond because it is a Broker only and there are no service agreements between the Company and any Delaware Electric Distribution Company. The Company will not collect any fees or deposits from any of its customers for any of its brokerage services.

Verification of Application

The original Application contained a signed sworn verification of application with the signature of Richard W. Felton, MBA, Principal and Founder of Susquehanna Energy Advisors, Inc. Subsequent filings to the Application have also been verified by Richard W. Felton, MBA.

Consent to Jurisdiction

The Company consents to the jurisdiction of the Delaware courts.

Contracts

The Company is applying for a license to broker electric supply services for residential and small commercial customers. Pursuant to the Supplier Rules, an Applicant shall either provide its standard contract for residential and small commercial customers or provide a link to the contract on the Applicant's website. As a Broker, the Applicant will not have contracts with residential or small commercial customers to provide electric supply services; however, the Applicant has agreed to only contract with entities that comply with PJM's requirements and that have been certified as an electric supplier in Delaware.

Statement of Criminal Activity

The Applicant stated that they have not been charged or convicted of any criminal activity nor have any of its principals or corporation offices. An internet review of the Company and its principals did not return any incidents of criminal activity.

Legal Review

Staff submitted this Memo for review by the Attorney on December 7, 2016.

Staff Recommendation

Based on Staff's review and analysis of the Application, the Company has satisfied the requirements of the Act and the Supplier Rules. The completed Application supports the Company's request for certification. Staff's review and analysis of the Application submitted by the Company demonstrates substantial evidence of capability to render service based on the Company's financial, operational, managerial and technical abilities. Therefore, Staff recommends the Commission approve the Application.